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U.S. Financial Crimes Network to Target Both Local and Foreign Crypto Exchanges

U.S. Treasury's financial crimes network determined to "aggressively" hunt down shady cryptocurrency exchanges, beyond borders if necessary.



by Maryam Manzoor , 18 January



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U.S. Treasury officials working against financial crimes are in aggressive pursuit of cryptocurrency exchanges that do not have anti-money laundering safeguards in place, regardless of whether they are located in the United States or overseas.



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Reuters **reported** that Sigal Mandelker (the Treasury Department's Under Secretary for terrorism and financial crimes) told the Senate Banking Committee that the Treasury's Financial Crimes Enforcement Network (FinCEN) is fully committed to pursuing shady crypto exchanges, beyond borders if necessary.

The usage of cryptocurrencies in illicit activities has been a key concern for governments, regulators, and law enforcement agencies worldwide, as the anonymity provided by crypto makes it an ideal tool for fraud, theft, money laundering, and the like.

All cryptocurrency exchanges located in the United States are required to conduct KYC and AML due diligence, and report any suspicious transactions to the relevant authorities immediately. Currently, more than 100 crypto platforms are registered with the FinCEN. However, many countries worldwide do not have any such regulations in place. Commenting on this, Mandelker said:



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“The real vulnerability that we all have to address is that while we have regulatory authorities in place here in the United States and we do enforce those ... we need other countries to do the same.”

Last year, the U.S. Treasury had the website of Russian crypto exchange BTC-e shut down, and ordered the company to pay a \$110 million fine for the alleged facilitation of criminal activities.

Cryptocurrency regulation has been a hot topic of late, with China having amped up its crackdown on crypto, and South Korea contemplating a possible ban on cryptocurrencies. France has also **formed a task force** to start developing regulation for cryptocurrencies.

Increased talk of regulation has given rise to fears of a possible ban, causing the crypto market to crash – Bitcoin, which crossed the \$20,000 mark only last month, dipped below \$10,000 today.

However, regulation remains a top priority for countries such as the U.S. Earlier this week, U.S. Treasury Secretary Steven Mnuchin **stated** that his department was fully focused on ensuring that Bitcoin and other cryptocurrencies are not used for criminal activities. In addition, more recently, the U.S. Treasury Department **warned investors** in the United States against investing in Venezuela’s proposed petro cryptocurrency, as it could violate sanctions.



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Vitalik Buterin Quits Fenbushi Capital to Focus on Ethereum

Buterin leaves Chinese venture capital firm to focus on developing Ethereum in the face of rising expectations.



by Maryam Manzoor , 17 January



Vitalik Buterin, co-founder of Ethereum, has left Fenbushi Capital to focus on Ethereum and



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As per a report by **TechCrunch**, Buterin was a general partner with the China-based investment firm, and is still listed as such on the Fenbushi website; he most likely played a part in Fenbushi Capital's active participation in blockchain investments and ICOs. However, Buterin has confirmed to TechCrunch that he will no longer be involved full-time and will only be retaining an advisory role.

Meanwhile, in his statement, Buterin cited the increasing attention and expectations attached to blockchain technology and cryptocurrencies as

one of the key motivating factors behind his departure, referring to the hype that unrealistic price movements have generated.

In light of all this, Buterin pledged his commitment to ensuring that 2018 involves greater advancements for blockchain technology, particularly when it comes to the Ethereum platform, which has to deliver on fronts such as scalability and a shift to the proof-of-stake consensus protocol. Buterin states:



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“2017 really has been the year where hype in crypto, including financial hype and social hype in general has far exceeded the reality of what existing blockchain systems can offer. There is a lot of attention, and a lot of eager expectation, but as far as reality goes the practical usability of blockchains has in some cases even regressed due to rising transaction fees.

I expect 2018, at least within the Ethereum space that I’m best able to speak about, will be the year of action. It will be the year where all of the ideas around scalability, Plasma, proof-of-stake, and privacy that we have painstakingly worked on and refined over the last four years are finally going to turn into real, live working code that you can play around in a highly mature form in some cases on testnets, and in some key cases even on the public mainnet. Everyone in the Ethereum space recognizes that the world is watching, and we are ready to deliver.”

Last month, when the cryptocurrency market cap crossed the \$500 billion mark, Buterin



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highlighted how the world's unbanked remained where they had been prior to the introduction of blockchain tech, and how hyperinflation in countries like Venezuela is still resulting in financial ruin for their citizens.



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Bitcoin and its peers truly skyrocketed in terms of popularity near the end of 2017; however, the fact remains that real-world applications of these cryptocurrencies are sparse and far from refined. Bitcoin's rising transaction fees and delays pose substantial challenges, while the Ethereum network struggled significantly in the face of the cryptoKitties.

Additionally, the situation is exacerbated by the growing number of new initial coin offerings which make big promises but have become instruments of money-making, rather than offering innovative solutions and real-world applications.

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